



The Newsletter

of the

North Carolina Home Inspector

Licensure Board

410 North Boylan Avenue, Raleigh, NC 27603 919-715-0991 919-715-1378 (fax)

March 2001

A message from NCHILB Chairman Steve Smallman:

At the January 19, 2001 NCHILB meeting several actions were taken which are of significant importance to licensed home inspectors and the general public. Decisions were made regarding:

- * Board action on recommendations of the joint NCHILB-NC Real Estate Commission home inspection advisory committee.
- * Hiring the Board's first Executive Director.
- * Conducting a public hearing at the earliest date to gather information from all interested parties and citizens of NC, concerning how the home inspection process impacts home buyers, home sellers and real estate sales people in the state of NC.

This meeting was attended by more than 30 home inspectors and other interested parties. All of those attending were given the opportunity to address the issues being considered, and many did so. I believe that this Board, in its seven year history, has established a solid record of welcoming, listening carefully to, and often acting on input from the public. The decisions made by the Board often will have a significant effect on the operations and even the livelihood of licensed home inspectors. Your participation and opinions are of vital importance, but you must stay abreast of the issues and actions being taken, and you must make the effort to communicate with the Board, if you want to influence the direction of the profession. This Newsletter is one way of keeping up with Board activities, and each issue of the Newsletter includes a calendar of upcoming meetings and other

activities. More information is found on our website, at www.ncdoi.com. In addition to the calendar and schedule of Board meetings, the Agenda for upcoming meetings will be posted on the website about a week before the meeting.

We recognize that most inspectors will not be able to attend all Board meetings (and our meeting room will not hold 1000+ home inspectors anyway!). You can write to the Board at P.O. Box 26387, Raleigh, NC 27611, or email to tparker@ncdoi.net. Individual Board members may be contacted at the addresses and phone numbers published elsewhere in this Newsletter. Also, there are two active state-wide associations of home inspectors to represent your interests. Their contact information is also found in this newsletter.

Board actions regarding recommendations of joint NCHILB-NC Real Estate Commission home inspection advisory committee.

1. The joint advisory committee recommended to the Board the use voluntary use of a form which has been termed the "12(b) letter". This is a form which real estate agents would give to their clients, and the clients would request their inspectors to fill it out. It is a short form which basically asks the inspector to answer questions about items covered in the Real Estate Purchase and Sale Agreement section 12-b. By a vote of 4 to 3 the Board voted not to endorse the use of this form. Further, by a second vote of 4 to 3 the Board passed a motion which states that "this Board highly recommends that the licensed

home inspectors do not fill out this version of the 12(b) letter.”

2. The advisory committee recommended the joint publication of an informational brochure titled “Question and answers on home inspections” developed by the committee. After some discussion action on this item was postponed for more in-depth review of the content.

3. The advisory committee made a recommendation that the NCHILB and the NC Real Estate Commission develop and deliver to their licensees through their continuing education programs instruction designed to promote a better understanding awareness of the duties and responsibilities of the real estate agents and home inspectors in the home inspection process. Although the instruction should be separate for real estate and home inspector licensees it should be developed by the Board and Commission through consultations with each other. This recommendation was approved without dissent.

Board approves hiring its first Executive Director

In view of the expanded duties and responsibilities that have evolved through the years for the NCHILB staff, the Board’s Personnel Committee last year began an evaluation of staffing needs. The past, present and future staff functions were reviewed and projected by the Personnel Committee. The conclusion of the Personnel Committee was that it would be in the best interests of the Board to add an Executive Director to the existing staff. After considering the committee’s recommendation, the Board approved at the January 19, 2001 Board meeting that the Executive Director position would be created and filled at the earliest possible time.

Many items were considered prior to making this decision. Some of the major considerations were:

- As a tribute to the existing staff, it was established that they indeed have been functioning well with very limited daily direction.
- From the point of inception until the present time, the Board has functioned appropriately without an Executive Director; however, the

duties of the Board have grown and are expected to expand.

- The Board has been somewhat reactive, which has been appropriate for a young organization, however, the Board has now grown to the point that it has a lot of proactive opportunities that would be difficult to accomplish without an Executive Director.
- The new Continuing Education requirements, to be effective in less than two years, will increase significantly the administration requirements of that program; thereby, necessitating an increase in staffing at some level.

It is estimated that the entire approval and hiring process would take six to nine months to have the individual on board. The position will be publicly posted as soon as all necessary approvals are completed.

LETTERS OF INTEREST

STRUCTURAL CERTIFICATIONS WHOM CAN PROVIDE THEM?

This letter was received from the North Carolina Board of Examiners for Engineer and Surveyors:

Many banks and lending institutions have been requesting certifications from various individuals attesting to the structural integrity of a building before approving loans. This has raised the question “Who can legally provide such a certification?”

The North Carolina Board of Examiners for Engineers and Surveyors was recently requested by Augustine Stasi, PE, Executive Director of the North Carolina Licensed Home Inspector Association, to render an opinion on this matter. In his request, Mr. Stasi cited “Most home inspectors will not provide such a letter, but some do who are also licensed general contractors. It is my understanding that only licensed Professional Engineers are qualified to make such evaluations and statements.”

In a response, the Board of Examiners agreed with Mr. Stasi's position and further provided that an all-purpose statement such as "... The structural integrity of the building has not been compromised," could only be made by a Professional Engineer with the appropriate expertise in civil/structural engineering. In making this determination, the Board of examiners recognized the ability for a licensed home inspector or general contractor to report on observations made as the result of an inspection of a building utilizing that individual's own area of professional expertise. However, a general statement concerning the structural properties of a building implies an assumption based on circumstances and conditions which can only be fully evaluated and certified to by a qualified Professional Engineer.

The Board of Examiners suggested that the phraseology "the structural integrity of the building has not been compromised" be eliminated from any certifications or reports on termite/water damage that was noted during the inspection of a building or residence. Such an action should help eliminate any confusion on the part of the general public as to the professional qualifications of the individual making such a statement.

Jerry T. Carter, Executive Director
North Carolina Board of Examiners for
Engineer and Surveyors

Board Members

Stephen C. Smallman is a home inspector appointed by the Governor. His inspection firm is Carolina Home Check of Raleigh. Mr. Smallman serves as Chairman.
800 Salem Woods Drive, Suite 205
Raleigh, NC 27615
(919) 571-2511

John Hamrick is a Realtor® appointed by the Governor. He is employed with Howard Perry & Walston Realty in Durham. He serves as Vice-Chairman.
8 Consultant Place
Durham, NC 27707
(919) 401-7600

Jeff A. Vaughn is a home inspector appointed by the President Pro Tempore of the Senate. His inspection firm is Coastal Home Inspections in New Bern. Mr. Vaughn serves as Secretary-Treasurer.
P. O. Box 628
New Bern, NC 28563
(252) 637-4081

Roger R. Pierce is a home inspector appointed by the President Pro Tempore of the Senate. His inspection firm is Pierce Home Inspection Services Inc. of Cashiers.
P. O. Box 1429
Cashiers, NC 28717
(828) 743-5013

Grover L. Sawyer, Jr., P.E. serves as the designee of the Commissioner of Insurance. He is the deputy commissioner in the Engineering Division of the NC Department of Insurance.
410 N. Boylan Ave.
Raleigh, NC 27603
(919) 733-3901

William R. Schultz is a member of the public appointed by the Speaker of the House of Representatives. He is employed with BB&T.
2904 Dunkirk Drive
Raleigh, NC 27613
(919) 716-9627

T. Larry Summer is a general contractor appointed by the Governor. His construction firm is Progressive Builders in Cherryville.
300 W. Main Street, Suite C
Cherryville, NC 28021
(704) 435-4909

John J. Woodmansee is a home inspector appointed by the Speaker of the House of Representatives. His inspection firm is The Home Inspector in Winston-Salem.
3935 Thorndale Drie
Winston-Salem, NC 27106
(336) 768-5992

Board Meetings

Board meetings are scheduled for the second Friday of every other month (January, March, May, July, September, and November) at 9:00 am at the Board's offices 410 North Boylan Ave., Raleigh, NC. Periodically the Board will meet on different dates and at locations other than Raleigh. Inspectors who wish to attend a meeting should contact the staff to confirm the location of the meeting.

<u>Calendar of Events</u>	<u>2001</u>
Board Meeting	March 9
Exam Registration Deadline (April)	March 9
Exam Review	March 12
Exam	April 11
Board Meeting (Greensboro)	May 4
Exam Registration Deadline (May)	May 11
Exam Review	May 14
Exam	May 31
Board Meeting	July 13
Exam Registration Deadline (Aug.)	July 13
Exam Review	July 16
Exam	August 9

CE REQUIREMENTS 2000-2001

Licensed inspectors must earn Continuing Education credits of twelve hours during the current licensure year, with two hours mandatory in an update course. The mandatory course is the Standards of Practice, Code of Ethics, and Continuing Education rules. These requirements **must** be met before September 15, 2001 or your license may not be renewed on October 1, 2001. **Your license will expire at the end of September and performing home inspections without a license is a violation of the NC General Statutes.**

CE CLASS VOLUNTARY APPROVAL

In an effort to streamline the continuing education program, the Board asks that all CE Class sponsors and providers participate in a "Voluntary Pre-Approval" program. It is suggested that class/course sponsors provide a class syllabus to the staff. This syllabus will be analyzed to determine if it meets Rule number .1308 and "approval" of the Board. Approved CE classes and other pertinent

information will be posted in **The Newsletter** on a quarterly basis.

All licensees are reminded that any course or class taken for CE **MUST** be "directly related to the practice of home inspection" per Rule .1308. Any courses or classes that do not meet the criteria set forth in the Standards of Practice and Code of Ethics will **NOT** receive credit as a viable CE unit.

Mandatory Class

The mandatory two-hour class for the 2000-2001 license year is: Standards of Practice, Code of Ethics, and Continuing Education rules, including:

- (a) Review of section .1103 (b)(1) (Inspection contract requirements);**
- (b) (b) Review of section .1103(d) (requirement for Summary section in inspection reports);**
- (c) Review of section .1116, Code of Ethics, with examples of how ethics violations generate consumer complaints and disciplinary action;**
- (d) Summary of plans and time table for new C.E. Rules proposed for implementation in October 2003. The specific subject matter MUST be related to the Standards of Practice and NOT to business procedures or limiting liability to the home inspector.**

Classes that have been approved for Continuing Education are listed within The Newsletter. If you are licensed after June 1, 2001 you are not required to take CE during the current license year.

Examination Information

Please be aware that the registration deadline for examinations is not the day that the staff should receive your application for licensure. The staff should receive your application for licensure at least two weeks before the exam registration deadline. This gives the staff time to process your application. Also be aware that if there is any missing information or if the staff refers your application to the application review committee, this will cause a delay in approval. Please provide all information that may be relevant to your application for licensure.

All examinations and exam reviews will be held at the Board's office. If necessary, an additional day of exams will be added following the dates listed. Examination reviews are available only to applicants who failed the exam.

Address Changes

If your address changes, **you must notify the board**, as this is the only way we have of contacting you.

DISCIPLINARY ACTIONS

As reported in the November 2000 Newsletter, and reprinted below, John Salstrom surrendered his NC Home Inspectors License on 09/19/00 in an agreement reached between the Board and Mr. Salstrom. As a result of information received by the Board's investigator in November 2000 indicating that Mr. Salstrom was still conducting home inspections the following action was taken:

On 11/29/00 misdemeanor criminal charges were filed in Forsyth County, NC against John Salstrom accusing him of three violations of NC General Statute 143-151.50 for performing home inspections for compensation without a license. NC General Statute 143-151.59 states that the aforementioned conduct constitutes a class 2 misdemeanor.

On 01/11/01 John Salstrom was found guilty in Forsyth County Magistrates Court of three counts of performing home inspections without a license resulting in a total fine of \$1095.00, 180 days suspended sentence for each count, and ordered to stop performing home inspections was imposed by the court.

The following is a reprint in chronological order of events of disciplinary action against John Salstrom:

1. As the result of two complaints filed against John Salstrom of Winston-Salem, NC, Chairman Roger Pierce on April 28, 2000 signed a Consent Order, which was subsequently agreed to and signed by John Salstrom on May 9, 2000 suspending John Salstrom's license for a period of six months.

The suspension was effective from June 1, 2000 through November 30, 2000. Additionally Mr. Salstrom was placed on probation effective December 1, 2000 through November 30, 2002. The allegation that resulted in this action was that John Salstrom failed to provide adequate written inspection reports to the complainants. Mr. Salstrom's reports were vague in nature and did not contain the required information as outlined in the Standards of Practice. Mr. Salstrom was providing the complainants with an audio tape which he utilized to supplement the written report. An audio tape is not a written report as required by 11 N.C.A.C. 8.1103(b)(3).

In August the Home Inspector Licensure Board received information that John Salstrom was conducting home inspections during the suspension period that was imposed by the Board as outlined above. An investigation was commenced and determined that John Salstrom had in fact conducted home inspections, for compensation, after the effective date of suspension. Subsequent to the investigative findings John Salstrom met with the Board's staff and confirmed that he had been conducting home inspections while his license was suspended. On September 19, 2000 John Salstrom's home inspector's license was surrendered to staff. On September 29, 2000 Board Chairman Stephen Smallman accepting the surrender of John Salstrom's license and issued an Order imposing the following sanctions;

1. John Salstrom may not re-apply for a home inspector license prior to December 1, 2001.
2. At the time of John's Salstrom's re-application, if at all, the Board will consider whether a license should be granted to John Salstrom and whether the license should be subject to probationary conditions.

Staff

Administrative Assistant
Continuing Education Coordinator
Investigator
Staff Director

Tammy Parker
Jennifer Hollyfield
Ken Giovanni
Grover Sawyer

Licensee Statistics

As of February, 2001

Home Inspectors ~	
~ Active	1011
~ Inactive	86
~ Expired	343
Associates ~	
~Active	101
~Inactive	12
~Expired	89

Internet

To better serve the public, regulatory information concerning home inspections has been posted on the Internet on the Department of Insurance web page located at the following address:

<http://www.ncdoi.com/>

To navigate the site:

- click on **Home Inspector Licensure Board**
- click on the **information** you would like to view or print.

The NC Building Inspectors Association allows the Board to provide information on their site:

http://NCBIA.ORG/mbr_serv/boards/homeinsp/homeinsp.htm

Please check your label

The Home Inspector Board reminds you what your continuing education hours are for the current year. (Look at the top line directly to the right.) You will have your elective hours and your update course hours. Please check your label each time you receive your quarterly Newsletter to be sure that you are in agreement with the Board's records.

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Association Contact Information

NC Association of Home Inspectors

Contact Steve Elder

(919) 571-2511

NC Licensed Home Inspector Association

Contact Gus Stasi

(919) 419-8819

Request New Continuing Education Rules

If you would like a copy of the complete 50 page document of the proposed rule changes, please contact the Board's staff and a copy will be mailed to you free of charge. However, you can also view and print the rules from the web page www.ncdoi.com. Click on Home Inspector Licensure Board, click on NCHILB New Proposed CE Rules.
